OCT-08-1996 09:01

PAC BELL FED REG

ARMIS QUARTERLY SERVICE QUALITY REPORT

COMPANY:

Pacific Bell STUDY AREA: California

PERIOD:

from Oct 1995 To Dec 1995

COSA:

PTCA

APPROVED DY UND 3060-0395 Expires 05/31/94 UNRESTRICTED VERSION SUBMISSION 1

TABLE V

TABLE V - SERVICE QUALITY COMPLAINTS

Rov	Classification		Column		
*+	:	Total (sa)	MSA (bb)	Non-NSA (cc)	
0320	No Business Access Lines	6,408	6,197	211	f
0321	Fed Complaints Bus Users	0	0		
0322	State Complaints Bus Users	4	6	0	
0330	No Residential Access Lines	11,004	10,450	554	
0331	Fed Complaints Rea Users	0	0	0	
D332	State Complaints Res Users	31	27	6	

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Pacific Bell

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FOOTMOTE TABLE PAGE 1 OF 1

FOOTNOTE TABLE

Table	Rou	Col	FNE	Footnote
(a)	(b)	(c)	(d)	(e)
I	0110	Å	1	Date provided at circuit level.
1	0110	Ċ	2	Date provided at circuit level.
ΙV	0200	R	3	Less then 2 minutes.
IV	0201	R	4	Less than 2 minutes.
ĪV	0210	R	5	Less than 2 minutes.
IV	0211	R	6	Less then 2 minutes.
ĪV	0212	R	7	Less than 2 minutes.
IV	0213	R	A.	Less than 2 minutes.
ΙĀ	D214	R	9	
ΙV	0200	S	18	
ΪV	D201	5	11	
			• •	
IV	0210	\$		Ratio: column R to column 0.
11	0211	\$	13	Ratio: column R to column C.
IV	0212	5	14	Ratio: column R to column D.
IV	0213	5	15	Ratio: column R to column 9.
IV	0214	\$	16	Ratio: column R to column 0.
IV.A	0220	ALL	17	Translation work error caused automatic system initialization.

OCT-08-1996 09:02 PAC BELL FED REG

ARMIS QUARTERLY SERVICE QUALITY REPORT

3060-0395

Expires 05/31/94

COMPANY: Pacific Bell UNRESTRICTED VERSION

STUDY AREA: California

SUBMISSION 1

PERIOD: From Oct 1995 To Dec 1995 CONF. TREATMENT TABLE

COSA:

PTCA

PAGE 1 OF 1

CONFIDENTIAL TREATMENT TABLE

Table	Roy	Column(s)
(a)	(b)	(c)

THE COMPANY HAS NOT REQUESTED COMPIDENTIAL TREATMENT FOR ANY DATA IN THIS REPORT.

CERTIFICATION

I certify that I am an officer of Pacific Bell; that I have examined the foregoing report and that to the best of ay knowledge, information, and belief, all statements of fact contained in this report are true and that said report is an accurate statement of the affairs of the above named respondent in respect to the data set forth herein for the period from 10/01/95 to 12/31/95.

PRINTED NAME

Martin A. Kaplan

POSITION

Executive Vice Prosident - Network Services

SIGNATURE

DATE

03/29/96

(Persons making willful false statements in this report form can be punished by fine or imprisonment under the Communications Act, 67 U.S.C. 220(e).)

CONTACT PERSON

Irene Lynch

TELEPHONE NUMBER

(415) 542-4041

ATTACHMENT 6
POSSIBLE FEDERAL INTERLATA PROVISIONING AND
MAINTENANCE REPORTS

PACIFIC BELL ALL CUSTOMER (Less INTERLATA SEPARATE AFFILIATE) FCC INTERLATA QUARTERLY REPORT Provisioning/Installation Activity Report Period: XXX-XXX 199X

Service	%МА	Average Interval
Feature Group A		
Feature Group B		
Feature Group D		
Basic Data and Voice (Analog Dedicated Access)		
Digital Dedicated Access		
1.544 MBPS BSA (DS-1 High Capacity Access)		
DS-3 And Above Access		

Notes: MA: Missed appointments due to Company reasons

Average Interval: Taken Date to Due Date Interval in business days
* Indicates number of orders was too low for reported data to be statistically significant

INTERLATA SEPARATE AFFILIATE FCC INTERLATA QUARTERLY REPORT Provisioning/Installation Activity Report Period: XXX-XXX 199X

Service	%MA	Average Interval
Feature Group A		
Feature Group B		
Feature Group D		
Basic Data and Voice (Analog Dedicated Access)		
Digital Dedicated Access		
1.544 MBPS BSA (DS-1 High Capacity Access)		
DS-3 And Above Access		

MA: Missed appointments due to Company reasons
Average Interval: Taken Date to Due Date Interval in business days
* Indicates number of orders was too low for reported data to be statistically significant

PACIFIC BELL ALL CUSTOMER (Less INTERLATA SEPARATE AFFILIATE) FCC INTERLATA QUARTERLY REPORT Maintenance/Repair Report Period: XXX-XXX 199X

Service	%MA	Avg-RC
Feature Group A		
Feature Group B		
Feature Group D		
Basic Data and Voice (Analog Dedicated Access)		
Digital Dedicated Access		
1.544 MBPS BSA (DS-1 High Capacity Access)		
DS-3 And Above Access		

Notes: MA: Missed appointments due to Company reasons

Avg-RC: Average receipt to clear in hours and minutes
* Indicates number of orders was too low for reported data to be statistically significant

INTERLATA SEPARATE AFFILIATE FCC INTERLATA QUARTERLY REPORT Maintenance/Repair

Report Period: XXX-XXX 199X

Service	%MA	Avg-RC
Feature Group A		
Feature Group B		
Feature Group D		
Basic Data and Voice (Analog Dedicated Access)		
Digital Dedicated Access		
1.544 MBPS BSA (DS-1 High Capacity Access)	}	
DS-3 And Above Access		

Notes: MA: Missed appointments due to Company reasons
Avg-RC: Average receipt to clear in hours and minutes
* Indicates number of orders was too low for reported data to be statistically significant

ATTACHMENT 7
Testimony of Jerald R. Sinn before the CPUC
September 16 & 24, 1996

OF THE STATE OF CALIFORNIA

In the Matter of the Application of AT&T Communications of California, Inc. for Arbitration Pursuant to Section 252 of the Federal Telecommunications Act of 1996 to Establish an Interconnection Agreement with Pacific Bell

Application No. 96-08-040

Errata Regarding Testimony of JERALD R. SINN
On Behalf of
Pacific Bell (U-1001-C)

MARLIN D. ARD STEVEN D. RATHFON MARGARET E. GARBER

140 New Montgomery Street, Room 1025 San Francisco, California 94105

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1776 K Street, N.W. Washington, D.C.: 20006

Telephone: (202) 429-7000 Facsimile: (202) 429-7049

Attorneys for Pacific Bell

Dated: September 20, 1996

Before the Public Utilities Commission of the State of California

In the Matter of the Petition of)	
AT&T Communications of California, Inc.)	
For Arbitration Pursuant to Section 252 of the)	Application No. 96-08-040
Federal Telecommunications Act of 1996)	•
to Establish an Interconnection)	
Agreement with Pacific Bell)	
·)_	•

Testimony of JERALD R. SINN
On Behalf Of
Pacific Bell (U-1001-C)

Dated: September 16, 1996

Steven D. Rathfon Margaret E. Garber Attorneys for Pacific Bell 140 New Montgomery Street Suite 1025 San Francisco, California 94105 (415) 542-2220

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II.	COMPARATIVE MEASURES AND PERFORMANCE STANDARDS	6
III .	REMEDY LIMITS AND LIQUIDATED DAMAGES	14
SUN	IMARY	16

1		INTRODUCTION
2		
3	Q.1.	Please state your name and business address.
4	A.	My name is Jerald R. Sinn. My business address is 370 Third Street,
5		Room 714 E, San Francisco, California 94107.
6		
7	Q.2.	By whom are you employed and what are your responsibilities?
8	A.	I am employed by Pacific Bell Industry Markets Group as
9		Communication Management Services Vice President. I am responsible for
10		customer service functions to all Industry Market Group customers. I have held
11		this position since January, 1994.
12		
13	Q.3	Please briefly describe your educational and business background.
14	A.	l attended California State University, Long Beach, and, received a
15		Bachelor of Science Degree in Investment Finance. I have thirty-five years of
16		experience in telecommunications management with Pacific Bell. I have held
17		positions in Operations, Engineering, Financial Management, Planning and
18		Customer Service. I have formal training and/or working experience in
19		operations statistics, Total Quality Management, and process management.
20		
21	Q.4.	Have you previously appeared before this or other state regulatory
22		commissions?
23	A.	No.
24		
25	Q.5.	What is the purpose of your testimony?
26	A.	The purpose of my testimony is to explain the process of measuring
27		service parity between what Pacific Bell provides to AT&T and what we provide

to ourselves, our affiliates, and other parties. I will demonstrate why AT&T's proposed "Total Services Resale" ("TSR") request (Richards page 2) is a marketing strategy of service differentiation and goes beyond what is needed to meet the requirements of The Federal Telecommunications. Act of 1996 and the <u>First Interconnection Order</u>. Finally I will discuss when remedies for non-performance are appropriate and how they may be applied.

Section I of my testimony addresses the definition of comparative measures and performance standards which demonstrate that we are providing "non-discriminatory access" to unbundled network elements, resale services and interconnection that is "at least equal in quality" to that provided ourselves and our affiliates as required by Section 251(c)(2)(C) of the Act and Paragraph 254224 of the First Interconnection Order. I will further demonstrate why the prescriptive measures of performance recommended by AT&T, referred to as "Direct Measures Of Quality" ("DMOQ's") (AT&T Br. at pages 23-25), are not appropriate to use for ensuring parity of service for interconnection, resale and unbundled network elements.

Section II of my testimony and associated appendices describes the necessary comparative measures and performance standards that are included in Pacific Bell's proposed contract. I will explain why our proposed comparative measures and performance standards are appropriate to demonstrate "non-discriminatory" access to unbundled network elements and resale services and to provide interconnection "at least equal in quality" to that provided to ourselves, our affiliates, and other parties.

Section III of my testimony details our proposal for remedies in the form of liquidated damages. The Act authorizes arbitrators to prescribe only those

²⁷ Implementation of <u>The Local Competition Provisions in The Telecommunications Act of 1998</u>, CC Docket no. 96-98, FCC 96-325 (released Aug. 8, 1996) (First Interconnection Order)

conditions needed to "meet the requirements of section 251." Nothing in the Act, explicitly or implicitly, mandates that interconnection agreements include measures of performance or penalties. Nevertheless, we are willing to voluntarily negotiate reasonable liquidated damages for non-performance that are tied directly to the statutory non-discrimination obligation in the Act, rather than to arbitrary, prescribed levels of quality desired by AT&T. My testimony describes a specific proposal for these remedies.

SECTION I. PERFORMANCE MEASURES AND DEFINITIONS

11 Q.6.

12 A

How does Pacific Bell determine "service equal in quality"?

The measure of "equal" is comparative, not prescriptive. The Act requires Pacific Bell to provide service to AT&T at levels at least equal in quality to that which we provide to ourselves, our affiliates, and other parties. Service parity will be measured (1) by class of service (e.g., residence, business); (2) geography; and (3) over a comparable time period. As long as all end users experience a comparable service level for the same class, geography and time, the requirements of the <u>First Interconnection Order</u> will be met.

Arbitrary, prescribed service levels, as suggested by AT&T, will not facilitate the measure of service as equal in quality. A prescribed service level only defines a specific level of service, but provides no information about the equality of service levels actually delivered. For example, our current service level for trouble reports on business installations is 3.7 reports per 100 lines in service. AT&T has requested a service level of 0 for Business, or 100% accuracy. Clearly, providing service at AT&T's prescribed level will not be at parity with service provided to our retail customers, and is not necessary to ensure nondiscriminatory treatment of AT&T as compared to Pacific Bell or

other CLCs. In the <u>First Interconnection Order</u>, the FCC stated that CLCs were entitled to service equal in quality. The FCC also clearly stated that CLCs must pay for costs associated with higher service levels. See Para. 225 of the <u>First Interconnection Order</u>.

We propose to use service indicators generally accepted in the telecommunications industry to compare the quality of service we are providing to AT&T and ourselves. On the basis of these comparative measures, we will be evaluated on our performance and adherence to the <u>First Interconnection Order</u>. Additionally, we believe it is appropriate that AT&T be required to provide comparable level of service to Pacific Bell when Pacific Bell obtains service from AT&T, so that end users are able to take advantage of the choices made available by the <u>First Interconnection Order</u>.

15 A

14 Q.7. What measures will be used to verify "quality" of service?

We are proposing the same measures Pacific Bell uses internally for equivalent retail products where comparable processes exist between resale and retail ("comparative measures")(Appendix JS-3). These measures are common throughout the telecommunications industry and are used to manage our business today.

Where comparable retail product processes do not exist, and a new process has been designed specifically for wholesale and resale (e.g., firm order confirmation process), then performance standards will apply.

Measurements associated with Total Services Resale, as cited in Mr. Richards' testimony, do not measure comparable service, but rather create a higher level of service which AT&T will use to differentiate itself from the other CLCs.

AT&T's requested service levels are only permitted by para. 225 of the <u>First Interconnection Order</u> if AT&T pays for the higher grade of service.

Where a process used in retail, for technical reasons, cannot be used
initially for resale, but the output of the process is still required (e.g., the interim
telephone number assignment process), third party audits of that resale
process will be used in lieu of performance measurements when sufficient
evidence exists to support the need for an audit. However, the following
conditions will apply:

- 1. If audit findings indicate a process problem, we will be given a reasonable period of time to correct the problem.
- 2. Liquidated damages could apply only after the period of time to correct the problem has expired.
- 3. To ensure the confidentiality of proprietary information of Pacific :
 Bell, its customers and other CLCs, Pacific Bell and AT&T will mutually agree to
 a third party auditor.
 - 4. AT&T will pay for such audits.

17 A.

I

16 Q.8. Are penalties required or appropriate?

The <u>First Interconnection Order</u> does not require any form of monetary penalty associated with the "equal in quality" standard. However, if we do not provide service that is equal in quality, the Act itself imposes severe penalties. For example, to enter the long distance market, we must convince the FCC that we will meet all of our Section 251 obligations, including the provision of service that is at least equal in quality to the service we provide ourselves and our affiliates. Entry authority may be denied if we cannot make such a demonstration. AT&T also may seek injunctive relief or monetary damages from us before the FCC or in court under Sections 206-208 of the Communications Act, and may seek similar relief from this Commission. There

is no need for a monetary penalty as an additional "incentive" for Pacific Bell to comply with the Act.

AT&T has recommended that performance be measured and applied on a order-by-order basis. Evaluating performance per order provides no measure of overall service comparability, but merely the service performance relative to the individual order. To ensure comparable service, remedies should only apply to service levels measured for activity over a period of time (monthly, for example). Should AT&T require a specific service level on a per-event basis, this is negotiable but will involve compensation to us, as required by the Act, to provide a guaranteed level of service.

SECTION II. COMPARATIVE MEASURES AND PERFORMANCE STANDARDS

16 A

•

Q.9. Should Pacific Bell be required to adopt AT&T's supplier performancequality management system?

No. We already have a quality management system that measures retail product and process service quality performance. These measures of quality are based on generally accepted industry standards and are commonly used by incumbent LECs to evaluate quality service delivery. In addition, our performance criteria used to evaluate service quality are widely accepted by the regulatory bodies and the results are shared with the Commission on a quarterly basis to ensure that our retail customers are receiving quality service. For example, we provide the Commission quarterly results regarding installation appointments met and customer trouble reports.

We believe that use of these comparative measures will ensure that the service quality AT&T experiences is on par with that which is provided to ourselves and our retail customers for the same products. Further, while the

<u>First Interconnection Order</u> does not require us to provide comparative data to AT&T, we are willing to provide the appropriate data to AT&T.

If AT&T requests us to adopt their "Total Service Resale" (TSR) plan including their Supplier Performance Quality Management System and their DMOQs, Para. 225 of the <u>First Interconnection Order</u> require AT&T to pay all costs associated with Pacific Bell's design, development and delivery of this unique product.

11 A.

9 Q.10. Does Pacific Bell know what it would cost to provide AT&T's requested level of service?

No. AT&T presented their Supplier Quality Management System and a DMOQs to Pacific Bell in early August. Pacific Bell has not had sufficient time to study the cost to design, develop, implement, and report the DMOQs or the cost involved to implement system changes or increase staffing to meet AT&T's DMOQs. However, Appendix JS-2 identifies the cost associated with just two of AT&T's DMOQs. For example, it would cost nearly \$500,000 just to meet AT&T's speed of answer requirement. This expense is totally unnecessary, as Pacific Bell has an electronic system that AT&T could use rather than calling Pacific Bell to place its interconnection order. The second example in Appendix JS-2 relates to AT&T's DMOQ for immediate status on trouble reports. It would cost over \$800,000 to meet this request. These are just two small examples of the additional cost necessary to meet AT&T's request for service that is better that Pacific Bell provides to itself.

1 Q.11. Are all of the service quality data provided to the Commission germane to 2 the local competitive environment?

No. Because of operational differences in the way in which retail and resale customers are served, some service quality data provided to the Commission about our retail service performance levels are irrelevant in the CLC environment. In other cases, service quality indicators appropriate in the CLC environment are not applicable to our retail channel. For example, we currently measure and report to the Commission speed of answer in our business offices. This service quality indicator measures the accessibility of a service representative in our retail business office. In the wholesale environment, where the ordering interface between our companies is electronic. measuring speed of answering is not applicable. Conversely, because the interface between our companies is electronic, it is appropriate for us to confirm orders received from AT&T within a specified time. This measure, commonly referred to as Firm Order Confirmation (FOC) in the wholesale ordering environment, is irrelevant in our retail channels. FOC is an example of a performance standard developed for the new interconnection environment. Prior to the release of the First Interconnection Order, we met with a number of CLCs, including AT&T, to discuss our comparable measures and performance standards and gained agreement through negotiation with AT&T to such comparable measures of service and performance standards.

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23 Q.12. Does Pacific Bell's quality management system ensure AT&T of non discriminatory service as it relates to pre-ordering, ordering, provisioning, maintenance, repair, wholesale billing, usage data transfer and operator services?

27 A Yes, although the appropriate measurement differs, as set forth below:

1	 AT&T's Operator Services traffic is co-mingled with our
2	operator services traffic, so absolute parity is assured with our retail channel.
3	An additional measurement is not required.
4	2. In those areas where we have a comparable retail or
5	wholesale measure of service (ordering, provisioning, maintenance and repair)
6	we will measure the performance provided to AT&T against our retail
7	performance to ensure that they are equivalent, considering class of service,
8	geographic area, and time period.
9	3. In areas where no retail equivalent measure exists, such
0	as pre-ordering, performance standards have been developed and agreed to
11	by AT&T.
12	4. Our responsibility for wholesale billing is already defined in
13	the CPUC tariff schedule 175T, section 18.1. AT&T's proposed wholesale
14	billing DMOQs are not appropriate or required.
15	5. Where the process used in retail is not initially adaptable
16	to resale for technical reasons, but the output of the process is still required
17	(e.g., the interim telephone number assignment process), third-party audits of
18	the process may be used in lieu of performance standards.
19	
20	Q.13. What service quality measures does Pacific Bell propose to evaluate to
21	assure "equal in quality" service to AT&T?
22	A. We have compiled a comprehensive list of service quality indicators for
23	pre-ordering, provisioning and maintenance. (Appendix JS-1). We believe
24	these service indicators assure AT&T service that is equal in quality to that
25	which we provide to ourselves and our retail customers. We have reached

agreement in concept with AT&T on these comparative measures of parity.

1 Q.14. Do the same comparative measures apply to operator services?

Comparative measures do not apply in the Operator Services
environment because CLC traffic is not distinguishable from Pacific Bell traffic.

This applies to both Operator Assistance (0, 0+) and Directory Assistance (411)
calls. Since all customers receive the same level of service, there is nothing to
measure or compare. Although it is not a comparative measure, we are willing
to provide to AT&T service availability information for operator services.

Pacific Bell proposes the status reports contained in Appendix JS-4.

II A.

10 Q.15. What does Pacific Bell recommend in the area of usage data transfer?

We agree that this is an important area and should be measured.
However, unlike AT&T, we support the principle of parity of usage data transfer, not 100% accuracy even when it is not customer-affecting. A proper measure would compare the time interval experienced in the delivery of data to the CLC's billing system to the interval experienced in the delivery of data to ourselves. Remedies should only apply in cases where our failure to delivery data results in an inability for AT&T to bill its end users and a loss of revenue is incurred.

Currently, there are no substantive data to support a reliable measure of parity. For example: 1) we have no historical data on delivery of the volumes of resale usage contemplated by the <u>First Interconnection Order</u>; 2) we can't be certain that the specific geography targeted by a given CLC will not affect the actual results (e.g. some end offices don't support data transfer as quickly as others, which could seriously skew results for those CLCs marketing in areas where there are less sophisticated switches); 3) our data transfer process is still evolving and work is underway to accelerate the delivery timeframes; and 4) the efficacy of our returns process has not been tested as

we do not know the timing or capabilities of the various CLCs to turnaround any questioned usage that they may receive.

For the reasons stated above, any measurement based on our current process and volumes would be arbitrary and unreliable. We recommend continuing the discussions and testing that has recently begun with AT&T on this issue. Only after adequate volume testing and further refinement of our process would a measure of data transfer parity be appropriate.

With regard to quality, we do have historical data that show an extremely high degree of reliability and accuracy, i.e. >99.999% of recorded messages are able to be billed accurately. And, in the rare cases where recorded messages are damaged or corrupted, there is not sufficient information in the record to distinguish between CLC calls and our calls. Our recommendation in the area of quality is to follow Pacific Bell's proposed contract, which provides that either party may request an audit of usage reports and/or data under the appropriate terms and conditions.

19 A.

Q.16. Are Pacific Bell's proposed service measurements sufficient for the future?

We believe that the measures of quality we propose apply the most appropriate retail quality measures to the wholesale and resale channels today. Where gaps exist because of differences in the channels, performance standards have been developed and, in many cases, agreed to by AT&T. We believe additional measures of quality may be developed as the business relationship between the incumbent LEC and the CLC matures. This has been our experience in other markets where some measures of quality were abandoned and replaced by more meaningful performance indicators. We would also expect a reciprocal service quality measurement system to be

1		established by the AT&T for customers returning to Pacific Bell that is
2		comparable to the level of service AT&T provides to itself and its customers.
3		We believe it is inappropriate for the Commission to adopt the quality
4		management system of AT&T as the industry standard by which service to
5		every CLC and ourselves is measured. Adopting AT&T's Supplier Performance
6		Quality Management System would unnecessarily drive up the cost of service
7		we provide to our customers and other CLCs.
8		
9	Q.17.	Will Pacific Bell provide service quality performance data when a CLC
10		requests a level of service different than the "equal in quality" criteria
11		when it is technically feasible?
12	A.	Yes. We intend to fully comply with the First Interconnection Order,
13		which states:
14 15 16 17 18		We conclude that service made available for resale be at least equal in quality to that provided by the incumbent LEC to itself or to any subsidiary, affiliate, or any other party to which the carrier directly provides the service, such as end users. Practices to the contrary violate the 1996 Act's prohibition of discriminatory restrictions, limitations or prohibitions on resale.
20		Consistent with the First Interconnection Order, we expect the requesting CLC
21		to bear the costs associated with service development, delivery and
22		performance measurement where this level of performance or measurement
23		technically feasible. For example, AT&T has advised us that it does not inten
24		to use our electronic interface called Pacific Bell Service Manager (PBSM) for
25		reporting troubles. Instead, AT&T would prefer to call the Interconnection
26		Service Center (ISC) to report trouble and request that we provide it with
27		Interior status and the same to be status of the same terms of the same status of the sam

interim status reports on troubles. To this end, AT&T has provided us with its